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# Mali Finance

## Final Modified PMP

July 2005





# Mali Finance

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July 2005

Submitted to:

USAID/Mali

Submitted by

Chemonics International Inc.

Contract No 688-00-03-00069-00

July 11, 2005

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## **SECTION I                      INTRODUCTION**

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### **A. Project Objective**

The Mali Finance project is a five-year activity funded by the U.S. Agency for International Development (USAID) and implemented by Chemonics International as prime contractor in partnership with the Malian private sector and various ministries and departments of the Government of Mali. The project, launched in September 2003, aims to contribute directly to USAID/Mali's economic growth strategy.

As in many African nations, agriculture is the foundation of the Mali economy. An estimated 80 percent of the population of Mali depends on agriculture, which contributes to 42 percent of the GDP. Despite immense irrigated potential, Mali still depends largely on rain-fed agriculture with high risk of drought and flooding. In addition, the large potential for marketing Malian agricultural products in the West African region is currently not appropriately exploited. To address these issues, the USAID/Mali economic growth strategy focuses on increasing access to irrigated land to reduce climatic risk and improving agriculture production and marketing of crops for which Mali has a comparative advantage, such as rice and livestock production. The objective of the economic growth strategy is to increase productivity and incomes in selected agriculture sub-sectors in Mali through activities that will support the production and trade of selected agricultural products and increase the access of producers to financial services.

The objective of the Mali Finance project is to strengthen the financial services sector through interventions designed to enable greater access to financial services for all citizens of Mali through three sub-sectors:

- Access to financial services from banks for Small and Medium Enterprises;
- Investment promotion;
- Microfinance.

### **B. Performance Monitoring Purpose**

USAID, under the 1994 US Government Performance and Results Act, is required to establish a strategic plan and performance monitoring plan to focus on the achievement of measurable results. The Mali Finance project, as part of the USAID/Mali Strategic Plan, has developed this performance monitoring plan to monitor and report on the progress of the project results brought about by project interventions, and to provide USAID with performance indicator data as specified in the project contract.

Integration of the performance monitoring in the overall project management system will assist the project team in planning and focusing activities and resources to achieve program objectives and targeted results. It will also keep the project team informed about whether planned activities are on track in achieving the intended results, or falling short of expectations, and therefore the need of corrective actions.

### **C. Performance Monitoring Development Steps**

The development of a performance monitoring system involves several steps, which include the following:

1. Develop a draft Performance Monitoring Plan (PMP)
2. Obtain client, stakeholder, and customer feedback
3. Establish baseline and targets for indicators
4. Develop appropriate information technology tools to store and process project performance data to meet project performance reporting needs
5. Fine tune the monitoring and evaluation system by assessing the appropriateness and utility of each indicator at the end of each reporting period and review and update the PMP as necessary.

As this report is a revision of an earlier draft PMP submitted in January 2004, step 2 has already been undertaken in the past. Therefore, this report will only focus on steps 1 and 3. Steps 4 and 5 will be implemented at a later stage once the final PMP draft is submitted and approved and baseline data and targets for all indicators are completed.

## SECTION II PERFORMANCE MONITORING PLAN

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### A. Results Framework

The first and most important step in designing a project PMP is to clarify the project objectives and results to which the project will contribute. In most cases, project results are linked to the USAID strategic objectives (SOs) and intermediate results (IRs). SOs are the highest level program objectives for which a USAID operating unit is held accountable. IRs are those results which contribute to the achievement of SOs and for which specific program (project) teams are typically held accountable. Lower level Sub Intermediate Results (Sub IRs) will feed into the achievement of IRs.

The Mali Finance project falls under the USAID/Mali mission Accelerated Economic Growth Strategic Objective (SO9) “Productivity and Incomes Increased in Selected Agricultural Sub-Sectors”. The focus of this SO will be on achieving three key Intermediate Results:

- Sustainable production of selected agricultural products in target areas increased (IR#1)
- Trade of selected agriculture products increased (IR#2)
- Access to finance increased (IR#3)

The Mali Finance project will contribute directly to the achievement of the IR3 *Access to Finance Increased*, through the implementation of integrated activities and interventions designed to achieve specific results listed under the following project performance results:

- Provision of business development services increased (IR 3.1)
- Investment opportunities increased (IR 3.2)
- Increased access to financial services to all population (IR 3.3)

The assumption here is that improved access to financial services for the producers and agro-entrepreneurs will have a significant impact in both production and trade in the agriculture sector (IR#1 and IR#2). Increased access to finance will not only allow agricultural producers to invest in production activities but also provide an opportunity to improve the management of the natural resources in their community and production plots. Improved natural resources management and possibilities for agricultural investments will lead to improved productivity, which in turn will increase production and thus the income of agricultural producers and enterprises in Mali (SO9).

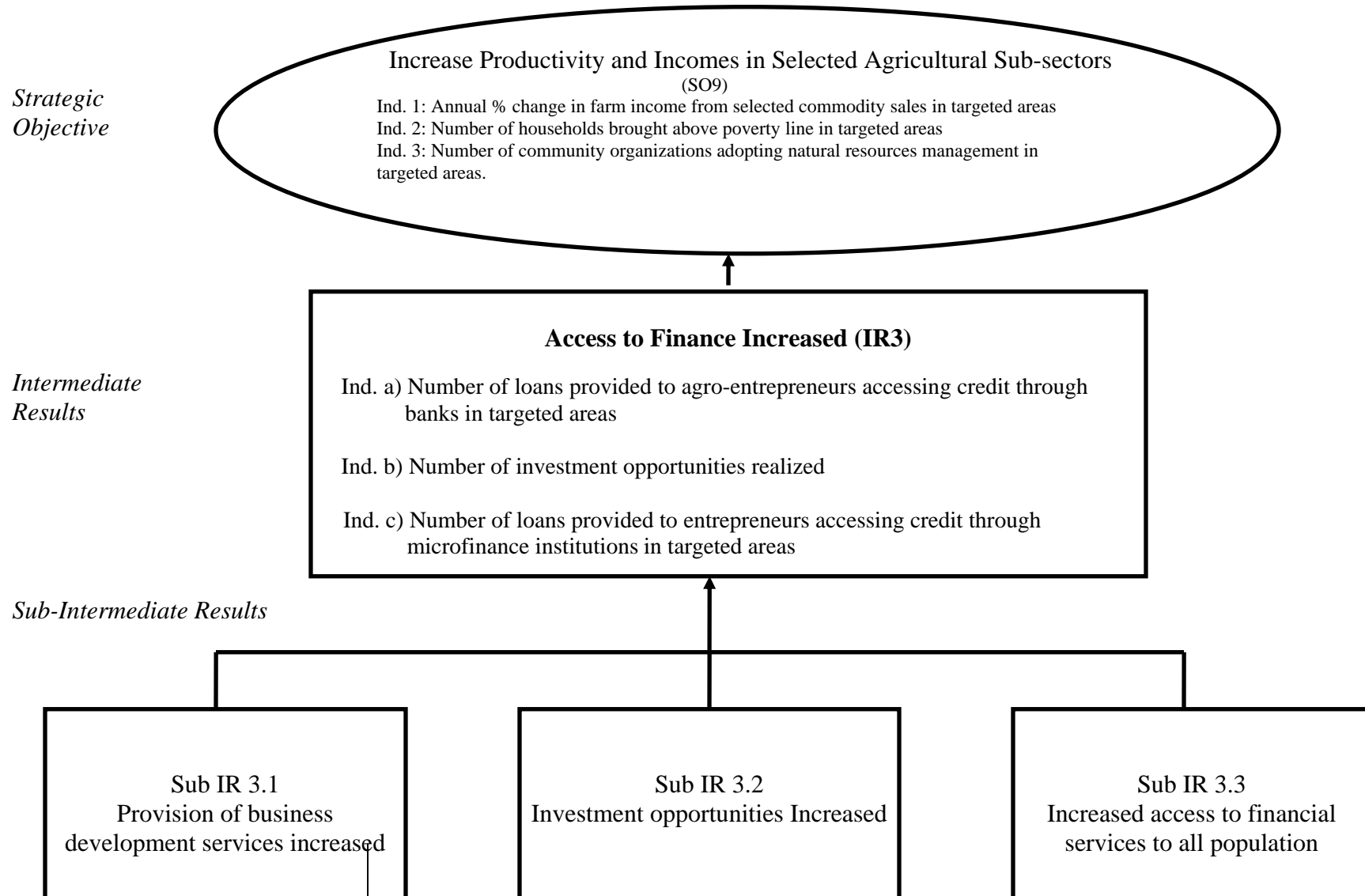
With the commencement of the Mali Finance project several result-oriented work planning sessions were conducted by the project staff to define the strategic results outlined in the project contract and key activities needed to contribute to the achievement of the planned performance results. The result of this participatory process was presented and discussed in a two-day workshop (October 23-24, 2003) organized by USAID to discuss the PMP with the Mali Finance project partners. Feedback from the workshop helped the project team develop the initial draft (submitted in January 2004) of the Mali Finance Results Framework within the context of USAID's SO9 and IR3.

Based on meetings with USAID SO9 team members, experiences and results taken from the field relating to activity implementation and data collection strategies, the need was felt to make additional changes to the original draft of the PMP. Even though we propose for this results framework to be final, we also recognize that PMPs are subject to changes and should therefore remain flexible. We will make greater effort on our end to assure more intensive collaboration with not only SO 9 partners, but also other USAID Strategic Objective teams and international organizations. This new approach will enable the project to improve the implementation of the agreed-upon activities and reporting on the achievement of planned results.

Exhibit 1.1 presents the Mali Finance Results Framework which links the project's proposed IRs, Sub IRs and indicators with the higher level USAID SO9 results.



## EXHIBIT 1.1 Mali Finance Results Framework



## **B. PMP Components**

*Selection.* The purpose of this PMP is to provide the Mali Finance project with a practical list of performance indicators that are measurable and useful in determining the project performance and impact linked to the planned project activities and interventions.

The Chemonics' contract included a set of proposed activities along with a list of project performance indicators. This set of indicators constituted a good starting point for the selection and definition of performance indicators. Wherever possible, we tried to select indicators for which credible data is available and can be easily obtained, and which does not involve high data collection cost.

*Definition and Unit of Measure.* For each selected performance indicator, a clear and precise definition of what will be measured and unit of measure is provided. By reading this definition, an outside reader should have no difficulty understanding what exactly is included in the measure provided by the indicator.

*Rationale.* A rationale for selecting each indicator will be developed, which describes the usefulness of the indicator in measuring the planned performance result.

*Hypothesis.* The hypothesis presented for each indicator will provide a tentative explanation that accounts for the results achieved, which can be tested by further analysis of project findings and accomplishments over time.

*Critical Assumptions.* The critical assumptions describe external and uncontrollable factors that could significantly affect the achievement of the program targets. These assumptions are very useful for project managers to analyze, especially when the performance targets are less than planned.

*Baseline Data.* The baseline is the value of a performance indicator at the beginning of the project or the performance period. It is used as a point for comparison of achieved progress and results. Collection of baseline values for each indicator is a necessary step before recommending targets that are organizationally feasible and acceptable.

The project team will be working with partners to analyze the available data for defining the missing baseline of some indicators. This process will require establishment of agreement and collaboration with partners through MOUs. We expect the partners to be very cooperative in sharing their data with the project staff as long as the collaborating mechanism is well established in advance with clear benefits to them through direct project assistance. The project M&E specialist will coordinate the effort of data gathering with close and active involvement of all other technical project staff.

*Performance Targets.* The performance targets are the intended results for each indicator at the end of each year for the five-year period of the Mali Finance program. These targeted results are derived using the best available information at the time of developing

this PMP, which include the analysis of past trends, current conditions, and anticipated impacts of planned project activities.

### **C. Data Acquisition, Analysis & Reporting**

For each selected performance indicator, we will develop a clear data acquisition method, which includes data source, frequency, and responsibility for its collection. The source of data could be either from the internal project records, partner organizations, or public information. Relevant existing data sources of partner project were assessed for monitoring and evaluation purposed. Using these existing information and data resources minimized the need for the additional data gathering. As the data source for the majority of indicators relates to the partner reports, the project team will work with these partners to build or adapt their databases to project reporting needs.

The project team will have to organize rapid surveys or data sampling exercises to complete the data provided in the partners' reports or to verify its validity. Periodic impact studies may also be conducted to gain additional information from stakeholders and clients to evaluate project impacts and highlight success stories.

The Mali Finance team will work closely with partner institutions and organizations to collect data on an appropriate periodic basis. Where necessary, new data collection systems will be developed to facilitate the analysis and reporting on PMP indicators at the end of each fiscal year and by the end-of-project. The project will use simple databases or tally sheets for tracking the indicators and furnish training and assistance for staff and partner organizations to assure that quality data is collected and validation and analyses is done. Periodic data sampling will be conducted for data quality checks. Any data limitations discovered will be discussed with partners and USAID. Joint field visits with USAID teams will help gauge information from data collection and analysis against field observations.

The project's M&E Specialist will ensure that appropriate and reliable data is collected, analyzed, and reported on a periodic basis. Even though the M&E specialist is responsible for this task, active involvement of each project technical staff is required to ensure that the monitoring and evaluation system is effectively integrated into the project as part of its overall management system and approach.

A draft report on the performance indicators will be provided to USAID in before the end of each fiscal year. This report will be tailored to USAID internal reporting requirements and will include a comments section which contains a presentation of actual results compared to targets, a discussion of major achievements, and if necessary a discussion of major constraints that hampered the progress in achieving the planned results and ways to address them. The results will be disaggregated by gender, region, type of financial institution, agro/non-agro, and type or domain of enterprise as long as the original data provided by the partners will allow it. If requested, supporting data and methods used to analyze and summarize the results will be provided with the annual report.

## **SECTION III                      PERFORMANCE DATA TABLES**

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The Mali Finance PMP includes three indicators at the IR levels and a total of nine indicators at the Sub-IR levels.

### **A. IR Level indicators**

#### **IR 3. Access to Finance Increased**

- Ind. 3a     Number of loans provided to agro-entrepreneurs accessing credit through banks in targeted areas
- Ind. 3b     Number of investment opportunities realized
- Ind. 3c     Number of loans provided to entrepreneurs accessing credit through MFI in targeted areas

### **B. Sub-IR Level indicators**

#### **Sub-IR3.1 Provision of Business Development Services-increased**

- Ind. 3.1a   Number of business development services purchased through partner BDS providers by entrepreneurs in targeted areas
- Ind. 3.1b   Number of individuals trained in business development services in targeted areas

#### **Sub-IR3.2 Investment opportunities increased**

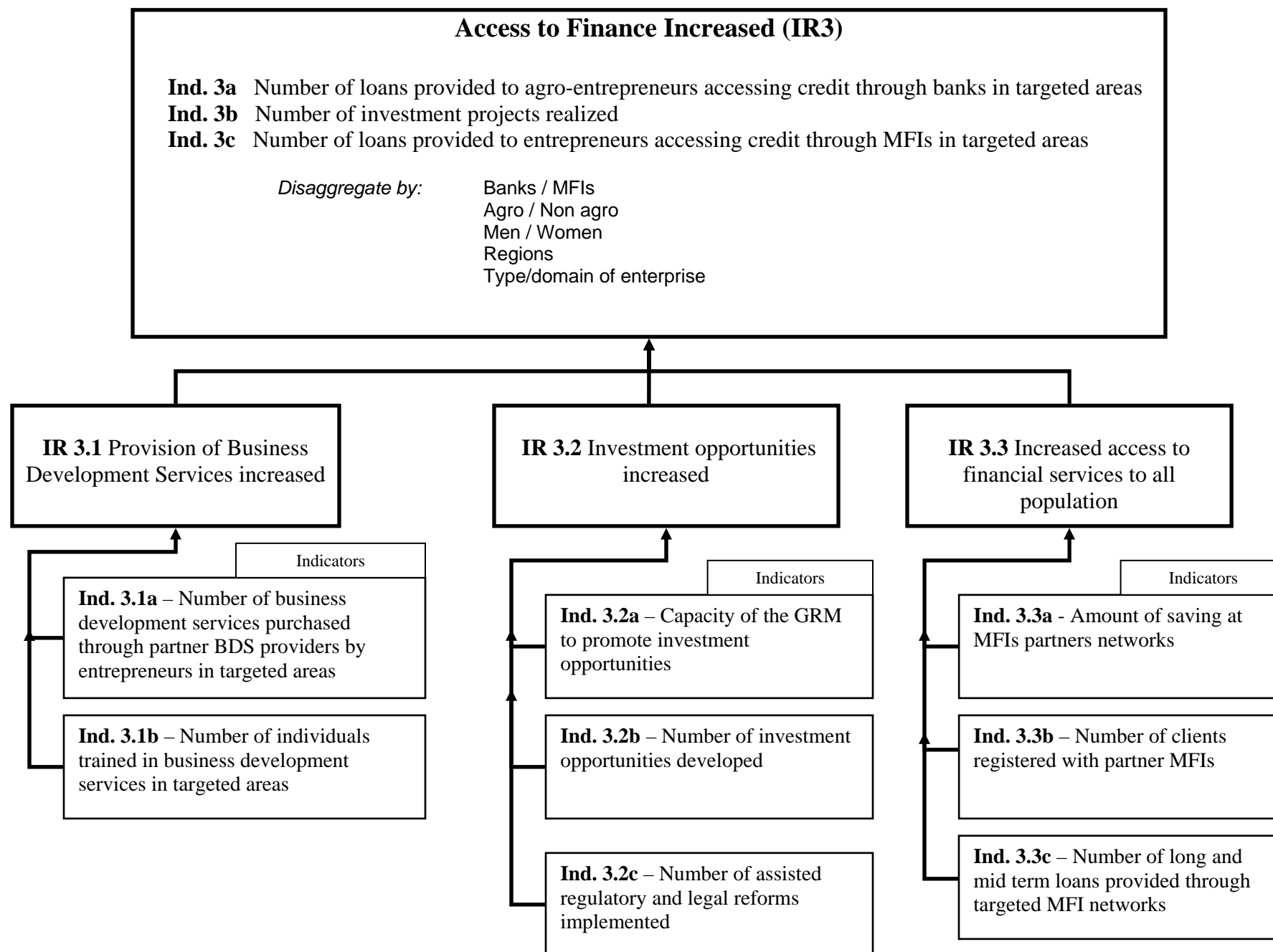
- Ind. 3.2a   Capacity of the GRM to promote investment opportunities
- Ind. 3.2b   Number of investment opportunities developed
- Ind. 3.2c   Number of assisted regulatory and legal reforms implemented

#### **Sub-IR3.3 Increased access to Financial Services to All Population**

- Ind. 3.3a   Amount of saving at MFIs partner networks
- Ind. 3.3b   Number of clients registered with partner MFIs
- Ind. 3.3c   Number of long and mid term loans provided through targeted MFI networks

The diagram shown in Exhibit 1.2 presents the flow of indicators in a framework. Detailed information concerning each performance indicator is presented on the Performance Indicator Reference Sheets 1 to 11.

## EXHIBIT 1.2 Mali Finance Indicators Framework



**TABLES 1 – 11. PERFORMANCE DATA BY INDICATOR**

Mali Finance Performance Indicator Reference Sheet	
SO	Increase productivity and incomes in selected agricultural sub-sectors (SO9)
IR3	Access to finance increased in targeted areas
Ind. IR3.a	Number of loans provided to agro entrepreneurs accessing credit through banks in targeted areas
Description	
<p><b>Precise Definition:</b></p> <p>Change in the number of loans provided to agro entrepreneurs, small and medium size enterprises, producer associations, women associations, and community based organizations through banks with the technical assistance of Mali Finance and/ or coached by PRODEPAM, TradeMali, other projects or NGOs that received technical assistance from Mali Finance in targeted areas. Also, BDS providers trained by Mali Finance will provide direct consulting services for bankable loans. Those loan applications that receive bank approval through this activity will be included as results under this indicator as well. The loans are to be used for agricultural and ag-related activities, for example production, ag. equipment, processing, trade, etc.</p> <p>There is a direct relationship between the number of loans provided to agro entrepreneurs through banks and the terms of the loans. Short term loans are easier to obtain than mid or long term loans. Input loans for short term agricultural campaigns are accessible at some banks. However, most of the work done by Mali Finance until now has been to help agro entrepreneurs have access to mid or long term loans, which allows them to develop their businesses. With Prodepam targeting village associations for short term credit as their first loan, more of these loans will be integrated in this indicator over the next years.</p> <p><b>Unit of Measure:</b> Number (cumulative)</p> <p><b>Disaggregated by:</b> Region, gender, and bank</p> <p><b>Justification/Management Utility:</b></p> <p><b>Rationale:</b> An increase in the number of loans granted to agro entrepreneurs and producer organizations through banks is a direct measure of the effects of the project's capacity building activities toward banks and also the improved ability of BDS providers to develop bankable loan applications for entrepreneurs and producer organizations.</p> <p><b>Hypotheses:</b> The Malian economic environment of the agricultural sector favors the expansion of demand and supply of financial development services. However, critical assumptions show that this hypothesis needs improvement. Right now and since the nineties, very few important start up projects have succeeded, which demonstrated that the hypothesis is not true. The challenge and the mission of Mali Finance will be to work alongside the government and partner organizations to prove the hypothesis is true.</p> <p>An enhanced capacity of banks in analyzing credit risk of agricultural loan applications will increase trust and therefore incline banks to grant more agricultural loans. Improved capacity of BDS providers in developing better quality business plans will lead them to produce more bankable credit applications for agro entrepreneurs. Joint management development training sessions with TradeMali, Prodepam and other organizations will provide community based organizations with required skills to apply for loans through banks.</p> <p><b>Critical Assumptions:</b></p> <p>Supply side :</p> <ul style="list-style-type: none"> <li>• Mid and long term funding is accessible at affordable rates for Malian banks</li> <li>• There is a willingness to provide access to credit for mid and long term financing from Malian banks</li> <li>• Banks are developing an interest in SME lending and business start up in the agricultural sector to develop the economy</li> <li>• Legal systems work efficiently to help banks reduce their cost and probability of loss, hereby reducing the risk</li> <li>• There is an increased competition among banks, making them look for new clients, and not just their commerce type base.</li> </ul> <p>Demand side :</p> <ul style="list-style-type: none"> <li>• Entrepreneurs understand the importance of investing in financial development services for the success of their business and are willing and capable to pay for these services</li> <li>• Entrepreneurs and the private sector find enough profitability to invest an important part of their capital in projects and secure it adequately enough for banks to develop an interest to share the risk and give out a loan</li> <li>• Malian entrepreneurs are willing to open up the capital of their project when necessary and develop technical partnerships to reduce the level of their project's risk</li> <li>• BDS providers remain flexible and can adapt to the needs for specific services requested by entrepreneurs.</li> <li>• Level of quality of services offered remains high (even once BDS providers operate independently) to assure that business plans developed will be bankable.</li> </ul> <p>General:</p> <ul style="list-style-type: none"> <li>• Cooperation with Associations, NGOs, and other projects is effective</li> </ul>	
Plan for data acquisition by Mali Finance	
<p><b>Data collection method:</b> Partner organizations (BDS providers, consultants, NGOs, etc.) will provide results information. A summary will be provided of new agribusiness loans granted during the reporting period in project's targeted areas. A data collection form will be developed for partner organizations to facilitate data collection.</p>	

**Method of acquisition:** Reports

**Data Source (s):** Individuals, BDS providers, consultants, banks and partner organizations/NGOs reports and data collection forms

**Frequency/Timing of data acquisition:** Quarterly

**Estimated cost of Data acquisition:** A quarterly data collection and analysis is estimated at \$1000

**Responsible individuals:** BDS team and M&E Specialist

### Data Quality Issues

**Date of initial data quality assessment:** Will be redone in September 2005 from baseline setting.

**Known data limitations and significance (if any):** We rely in part on our BDS providers to deliver the information. BDS providers could provide us with impressive numbers that would make them look good as a way for them to assure continued collaboration with Mali Finance.

**Actions taken or planned to address data limitations:** Mali Finance M&E specialist will conduct a sample quality check of data collected from the different sources.

**Date of future data quality assessments:** To be done on an annual basis after initial data quality assessment

**Procedures for future data quality assessments:** Mali Finance M&E specialist will take samples to perform quality checks of data collected from the different sources and will meet directly with the BDS providers as well.

### Plan for data analysis, review and reporting

**Data Analysis:** Mali Finance team will collect and compile data for analysis by the M&E specialist. Processed data will be shared with staff, partners and USAID.

**Presentation of data:** Tables/charts and narrative reporting

**Review of data:** All data will be reviewed by Mali Finance team

**Reporting of data:** Annual Performance Report submitted to USAID

### Other notes

**Notes on baselines/targets:** Baseline will be collected from individuals, BDS providers and partner organizations through interviews, reports and data collection forms. Baseline for this indicator is set at zero (0), based on the fact that starting 2004 the project will only be measuring loans granted through direct or indirect assistance of Mali Finance. At the beginning of the project, no such activity existed, therefore justifying this baseline.

Anticipated targets derive from our analysis, using the best information available of the Malian financial environment. Targets for this indicator specifically include:

1. the loans granted through the technical assistance of our BDS providers ;
2. the loans granted through the technical assistance of NGO or consulting firms assisted by the project ;
3. the loans granted through collaboration strategies with Prodepam and/or TradeMali.

Very few loans were granted during 2004. This is a result of the fact that during FY 2004 TradeMali was organizing the sectors and Prodepam just started project implementation. We therefore relied on BDS providers and NGOs for activity implementation and results, as Mali Finance had already started the training of BDS providers and agro-entrepreneurs.

For 2005, the target is based on projections made through interviews with our BDS providers and the activity plans for the TradeMali and Prodepam projects. TradeMali requested assistance on some specific important cases; however in terms of numbers, few clients received loans as a result of assistance by Mali Finance. Prodepam did not have their NGOs on the ground soon enough to be able to finance the agricultural 2005-2006 campaign. For subsequent years, we increased the targeted number by past experiences of our BDS providers. Major growth is expected to come with the expansion of Prodepam activities through their six NGOs. However, detailed data for Prodepam is not available yet. We plan to help their associations (in collaboration with the NGOs) receive 20 loans in 2006, 40 in 2007 and 60 in 2008. *When Prodepam will know more precisely how many producers associations they will assist for bankable loans, we should adjust our projections..*

**Location of data storage:** All M&E data are filed in hard copies (forms, contracts, MOU etc) in the Mali Finance documentation center. Electronic copies (databases, spreadsheets and the likes) are kept on the server, which are backed up on CDroms and tapes.

**Other notes:** The project will also collect data from partner banks on loans provided to agro-entrepreneurs on an annual basis. Similarly, their activity reports for their fiscal year (Jan 1 through Dec. 31), which becomes available around June of each year after their annual shareholders meeting, will be used by the project to measure the impact of the project on the partner banks.



Performance Indicator Values		
Year	Actual	Target
Baseline	0	-
2004		8
2005		14
2006		51
2007		82
2008		114
Last updated on July 11, 2005		

Mali Finance Performance Indicator Reference Sheet	
SO	Increase productivity and incomes in selected agricultural sub-sectors (SO9)
IR3	Access to finance increased in targeted areas
Ind. IR3.b Number of investment opportunities realized	
Description	
<p><b>Precise Definition:</b> Number of commitments/disbursements equal to or higher than 75 million cfa francs for investment opportunities directly assisted by the project and /or through partner Business Development Services providers in targeted areas. Note: 100 million cfa francs is the minimum amount established by the Malian Investment Code for investment projects. With a maximum of 75 % in bankable investment credit, the initial investment would be 75 million cfa francs.)</p> <p><b>Unit of Measure:</b> Number (cumulative)</p> <p><b>Disaggregated by:</b> Region, gender, type (agro vs. non agro) and banks.</p> <p><b>Justification/Management Utility:</b></p> <p><b>Rationale:</b> An increase in the number of commitments/disbursements for investment is a direct measure of the project interventions in improving investment opportunities in targeted areas.</p> <p><b>Hypotheses:</b> An enhanced investment promotion capacity of the GRM, improved investment policy and technical assistance from the project in assisting banks and beneficiaries in targeted areas will result in increased level of investment. The investment projects that will succeed in obtaining the loans from our partner banks will create a new momentum for enhanced investment climate in Mali.</p> <p><b>Critical Assumptions:</b></p> <ol style="list-style-type: none"> <li>1. Regulatory status for financial institutions allows expansion of loans and investment activities;</li> <li>2. Cooperation of private sector investors with the investment agency is effective; and</li> <li>3. Banks are willing to invest in mid-term and long term agricultural loans.</li> </ol>	
Plan for data acquisition by Mali Finance	
<p><b>Data collection method:</b> Partner BDS providers and Mali Finance staff will collect data on evidence of commitments or disbursement for investment opportunities assisted by the project during the reporting period in project's targeted areas.</p> <p><b>Method of acquisition:</b> Reports</p> <p><b>Data Source (s):</b> BDS providers, beneficiaries and banks</p> <p><b>Frequency/Timing of data acquisition:</b> Quarterly</p> <p><b>Estimated cost of Data acquisition:</b> A quarterly data collection and analysis is estimated at \$1000</p> <p><b>Responsible individuals:</b> Investment team and M&amp;E Specialist</p>	
Data Quality Issues	
<p><b>Date of initial data quality assessment:</b> As part of the baseline data collection and base line setting, Mali Finance staff will conduct a sample quality check of data collected from the different sources. The same process will be used for any quarterly data collection.</p> <p><b>Known data limitations and significance (if any):</b> As we know the promoters and the banks involved in these big investment projects, there is no major data quality limitation.</p> <p><b>Actions taken or planned to address data limitations:</b> When unclear, we will cross reference the data of BDS providers with banks.</p> <p><b>Date of future data quality assessments:</b> Annually</p> <p><b>Procedures for future data quality assessments:</b> Mali Finance M&amp;E specialist will take samples to perform quality checks of data collected from the different sources.</p>	
Plan for data analysis, review and reporting	
<p><b>Data Analysis:</b> Mali Finance team will collect and compile data for analysis by the M&amp;E specialist. Processed data will be shared with staff, partners and USAID.</p>	

**Presentation of data:** Data will be presented in tables with a narrative results description.

**Review of data:** All data will be reviewed by Mali Finance team.

**Reporting of data:** Annual Performance Report submitted to USAID

#### Other notes

**Notes on baseline/targets:** Baseline for this indicator is set to zero (0) based on the fact that the project is measuring loans granted with direct assistance of Mali Finance. At the beginning of the project, no such direct assistance was implemented; therefore the baseline should be set at zero.

Anticipated targets derive from our analysis, using the best information available about the Malian financial environment. The targets for this indicator refer to loan application cases of beneficiaries which are closely monitored by Mali Finance. Even though the number of major investment projects is limited in Mali, the project puts specific emphasis on investment projects related to the agricultural sector. Mali Finance concentrates its technical assistance to a number of potential investment projects that could become success stories and could inspire others to follow. For 2004, only one case was developed (partially as a follow up of a previous USAID project) due to the fact that the project was still in a start up phase and focused on collecting data on the environment and developing good relationships with clients and partner banks, etc. For 2005, we anticipated 2 more cases that are currently pending at the banks.

One has to consider that it takes an average promoter one year to develop his project, collect data, evaluate the market and complete the technical analysis and the business plan. At the level of the bank, one should count on a delay of a minimum of six month, up to one year, before receiving the approval and/or the actual financing from the bank. These delays at the bank are due to internal factors but also relate to the fact that regional bank, BOAD is included in the process as a main partner. Banks would prefer to diversify the risks by pooling it through two or three other Malian banks, this process all adds to the delay in bank loan approval. Based on these experiences and on the level of effort required for the development of major investment projects that have recently been added to our pipeline, we estimated that around 10 to 20 % of projects currently under development will get loans from Malian banks in the years to come.

**Location of data storage:** All M&E data are filed in hard copies (forms, letters, proofs of disbursement etc) in the Mali Finance documentation center. Electronic copies (databases, spreadsheets and the likes) are kept on the server and are backed up on CDroms and tapes.

**Other notes:** n/a

#### Performance Indicator Values

Year	Actual	Target
Baseline	0	-
2004	1	1
2005		3
2006		5
2007		7
2008		10

**Last updated on July 11, 2005**

Mali Finance Performance Indicator Reference Sheet	
SO	Increase productivity and incomes in selected agricultural sub-sectors (SO9)
IR3	Access to finance increased in targeted areas
Ind. IR3.c Number of loans provided to entrepreneurs accessing credit through MFIs in targeted areas	
Description	
<p><b>Precise Definition:</b> Change in the number loans provided to producers, entrepreneurs, associations, women associations, village associations through partner Micro Finance Institutions (MFI) in targeted areas. Mali Finance provides assistance either directly or indirectly through its partner projects and their NGOs or BDS providers. The definition includes also new entrepreneurs receiving loans relating to products developed with Mali Finance and partner MFIs. All the loans to entrepreneurs relating to income generating activities will be counted, however entrepreneurs receiving loans based on a salary will be excluded from this indicator.</p> <p><b>Unit of Measure:</b> Number (cumulative)</p> <p><b>Disaggregated by:</b> Region, gender, and MFIs.</p> <p><b>Justification/Management Utility:</b>  <b>Rationale:</b> An increase in the number of loans granted to entrepreneurs and organizations through active intervention of Mali Finance (directly or through partner projects and their NGOs or BDS providers) is a direct measure of increased access to financial services in the project's targeted areas and also the improved ability of entrepreneurs and organizations to develop new business relationships with MFIs.  <b>Hypotheses:</b> Linking entrepreneurs, associations, and NGOs with MFIs will increase the client base for MFIs. This will in turn increase outreach and therefore strengthen their operations. Increased access to finance will permit an increase in income generating activities and thus augment revenues to entrepreneurs throughout the country.</p> <p><b>Critical Assumptions:</b></p> <ol style="list-style-type: none"> <li>1. Cooperation with Associations, NGOs, and other projects is effective;</li> <li>2. MFIs are willing to invest in mid-term and long term agricultural loans; and</li> <li>3. Local banks fund MFI with mid-term agricultural loans.</li> </ol>	
Plan for data acquisition by Mali Finance	
<p><b>Data collection method:</b> Organizations, entrepreneurs and associations will complete data collection forms. Partner projects and their NGO representatives will provide completed forms or reports. Partner MFIs will provide a completed summary form of all the entrepreneurs that had received loans because of all Mali Finance's training. Partner MFIs will provide a summary of their outstanding loan portfolio for new loans relating to new products developed with Mali Finance using their internal systems.</p> <p><b>Method of acquisition:</b> Reports</p> <p><b>Data Source (s):</b> Entrepreneurs, associations, NGOs and partner MFIs</p> <p><b>Frequency/Timing of data acquisition:</b> Quarterly</p> <p><b>Estimated cost of Data acquisition:</b> A quarterly data collection and analysis is estimated at \$1000</p> <p><b>Responsible individuals:</b> Micro finance team Monitoring and Evaluation Specialist</p>	
Data Quality Issues	
<p><b>Date of initial data quality assessment:</b> As part of the baseline data collection and base line setting, Mali Finance staff will conduct a sample quality check of data collected from the different sources. The same process will be used for data collection on a quarterly basis.</p> <p><b>Known data limitations and significance (if any):</b> There is the possibility that associations or individual entrepreneurs do not report to Mali Finance after getting their loan due to time and distance constraints. There is also the problem of poor management information system (MIS) in place in some MFIs.</p> <p><b>Actions taken or planned to address data limitations:</b> Mali Finance will ask the federated organization for MFIs to help reinforce partnership and good communication by MFIs to Mali Finance. Whenever possible, cross checking with MFIs will enable the project to reduce data limitations. Mali Finance will provide assistance to those MFIs that need to improve their MIS (if possible) and/or will do some data quality checks based samples taken in the field.</p> <p><b>Date of future data quality assessments:</b> Annually</p>	

**Procedures for future data quality assessments:** The M&E specialist will do a field visit of associations and individual entrepreneurs and their near by MFIs to check the quality of data.

### Plan for data analysis, review and reporting

**Data Analysis:** Mali Finance team will collect and compile data for analysis by the M&E specialist. Processed data will be shared with staff, partners and USAID.

**Presentation of data:** Data will be presented in tables and with a narrative report.

**Review of data:** All data will be reviewed by Mali Finance team.

**Reporting of data:** Annual Performance Report submitted to USAID.

### Other notes

**Notes on baseline/targets:** Baseline for this indicator is set to zero based on the fact that the project is measuring entrepreneurs receiving loans due to assistance from Mali Finance. The project is measuring its results based on direct assistance for the first time; therefore the baseline should be set at zero (0).

Target values indicate the desired achievements of project interventions. The anticipated numbers were derived from our analysis, using the best information available. Targets for this indicator include multiple factors:

1. the number of entrepreneurs accessing loans from MFIs with the technical assistance of NGO or consultants supported by the project;
2. the number of entrepreneurs accessing loans from MFIs through a MOU signed between a project, an APEX association (like a Federation or a professional association of microfinance) and Mali Finance;
3. the number of entrepreneurs accessing loans from MFIs that received training from their credit field agents (basic accounting, agricultural risk analysis and or short and mid term credit analysis). To count these results, partner MFIs will be requested to fill out a form and provide details on these larger more important entrepreneurs that received loans;
4. the number of entrepreneurs accessing to loans from MFIs through TradeMali (mostly for the product CSV) or Prodepam (mostly for the pedal pump in Sikasso region);
5. the number of entrepreneurs accessing mid term loans through a partner MFIs - Mali Finance works in partnership with MFIs to develop a financial product for mid term credit.

During 2004, we approached different MFIs and signed MOUs for future collaboration. We did diagnostic surveys for selected MFIs and evaluated Gao's microfinance market. We conducted training sessions based on expressed needs. These training sessions started in May 2004 after the final approval of the work plan, and additional trainings are continuing at this time. Mali Finance requested partner MFIs to fill in forms providing information on the number of entrepreneurs accessing credit that are a result of the training sessions (these are generally the larger loans in the credit field agent's portfolio). TradeMali worked on a limited number of cases in 2004, and Prodepam was not yet on the ground at that time. This explains the rather limited achievements for 2004.

For 2005, we expect an increase in the number of entrepreneurs accessing loans due to our assistance as a result of the development of a mid term and long term credit with our partners MFIs. Note: It took nearly one year of work with the Office Niger Network MFIs to finally have a MFI launch the mid term product. This required a lot of preliminary work, which implied real commitments of MFIs.

In planning for 2006, we expect our past strategy to pay off and we anticipate a considerable increase in our results. Moreover, the new strategy of linking associations to MFIs through MOUs with partner organizations will be implemented resulting in additional results. Finally, starting 2006, in close collaborating with TradeMali and their CSV product and Prodepam with its pedal pumps, we should see the level of entrepreneurs accessing credit increase steadily over time.

For subsequent years, we increased this number based primarily on our knowledge of the capacity of our partner MFIs.

**Location of data storage:** All M&E data are filed in hard copies (forms, contracts, MOU etc) in the Mali Finance documentation center. Electronic copies (databases, spreadsheets and the likes) are kept on the server and are backed up on CDroms and tapes.

**Other notes:** The project will also collect data of partner MFIs on an annual basis. Their activity report for their fiscal year, which becomes available around June of each year after their annual members meeting, will be used by the project to measure the impact of the project on the partner's MFIs.

### Performance Indicator Values

Year	Actual	Target
Baseline	0	-
2004	203	203
2005		494
2006		926
2007		1 647
2008		2 637

**Last updated on July 11, 2005**

Mali Finance Performance Indicator Reference Sheet	
<b>SO:</b>	<b>Increase productivity and incomes in selected agricultural sub-sectors (SO9)</b>
<b>IR3</b>	<b>Access to finance increased in targeted areas</b>
<b>Sub IR 3.1</b>	<b>Provision of business development services increased</b>
<b>Ind. IR3.1a</b>	<b>Number of business development services purchased through partner BDS providers by entrepreneurs in targeted areas</b>
Description	
<p><b>Precise Definition:</b> Change in the number of services purchased by agro entrepreneurs, small and medium size enterprises, producer associations, women associations, and community based organizations from BDS providers (including consultants, Peace Corp volunteer and NGO trained to act as BDS providers) in targeted areas. Business development services for the purpose of this indicator include, but are not limited to, the following: a) business services related to management: accounting, finance, marketing, production, human resources, business management, selection of proper juridical entity business law, etc.; b) business services related to access to finance: technical assistance for the development of business plans development, market studies for new products or plant extension, assistance with loan application, post-finance monitoring and follow-up, etc. Different types of trainings will not be included in results reporting for this indicator, however, they are taking into account under indicator IR3.1b. The financial development services provided tend to be mostly geared towards small and medium size enterprises (IR 3a) and larger investment projects (IR 3.b) that would attempt to develop bankable projects and submit loan applications.</p> <p><b>Unit of Measure:</b> Number (cumulative)</p> <p><b>Disaggregated by:</b> Region, gender, type of service</p> <p><b>Justification/Management Utility:</b></p> <p><b>Rationale:</b> An increase in the number of financial development services purchased and thus the number of contracts signed between BDS providers and entrepreneurs will be a direct measure of the strengthened capacity of BDS providers to provide quality financial services. Entrepreneurs will have understood the importance of financial development services for the improvement or expansion of their business when a genuine interest is shown in the provision of these services. This provides insight on the level of importance entrepreneurs give to building their own capacity in terms of financial development and their willingness to invest in personal capacity building.</p> <p><b>Hypotheses:</b> The economic development of the agricultural sector in Mali favors the expansion of demand and supply of financial development services. However, critical assumptions show that this hypothesis needs improvement. Right now and since the nineties, very few important start up projects succeeded. The hypothesis is thus not demonstrated. It will be Mali Finance challenge and mission to work alongside the government and partners to improve this situation.</p> <p><b>Critical Assumptions:</b> Supply side :  <ul style="list-style-type: none"> <li>• Mid and Long term funding is accessible at affordable rates for Malian banks</li> <li>• There is a willingness to provide access to credit for mid and long term financing from Malian banks</li> <li>• Banks are developing an interest in SME lending and business start up in the agricultural sector to develop the economy</li> <li>• Legal systems work efficiently to help banks reduce their cost and probability of loss, hereby reducing the risk</li> <li>• There is an increased competition among banks, making them look for new clients, and not just their commerce type base.</li> </ul> Demand side :  <ul style="list-style-type: none"> <li>• Entrepreneurs understand the importance of investing in financial development services for the success of their business and are willing and capable to pay for these services</li> <li>• Entrepreneurs and the private sector find enough profitability to invest an important part of their capital in projects and secure it adequately enough for banks to develop an interest to share the risk and give out a loan</li> <li>• Malian entrepreneurs are willing to open up the capital of their project when necessary and develop technical partnerships to reduce the level of their project's risk</li> <li>• BDS providers remain flexible and can adapt to the needs for specific services requested by entrepreneurs.</li> <li>• Level of quality of services offered remains high (even once BDS providers operate independently) to assure that business plans developed will be bankable.</li> </ul> General: Cooperation with Associations, NGOs, and other projects is effective</p>	
Plan for data acquisition by Mali Finance	
<p><b>Data collection method:</b> BDS providers fill out data collection forms that present a summary of services provided. Forms will be developed for BDS providers to collect data on the type of service provided, time of service delivery, follow-up on entrepreneur, direct or indirect assistance, and more specific entrepreneur information (gender, type/domain of enterprise, region, etc.). Partner organizations through which entrepreneurs were referred (Prodepam, TradeMali, etc.) could provide additional information as well.</p> <p><b>Method of acquisition:</b> Reports</p>	

<b>Data Source (s):</b> BDS providers, entrepreneurs, partner organizations' reports and data collection forms		
<b>Frequency/Timing of data acquisition:</b> Quarterly		
<b>Responsible individuals:</b> <b>BDS team</b> Monitoring and Evaluation Specialist		
<b>Data Quality Issues</b>		
<b>Date of initial data quality assessment:</b> Done partly in 2004. Due to change in the indicator, it will be done in September 2005.		
<b>Known data limitations and significance (if any):</b> We rely mostly on our BDS providers to deliver the information. BDS providers could only provide promising numbers as results in order to impress Mali Finance in the hope that there will be a continued collaboration.		
<b>Actions taken or planned to address data limitations:</b> Mali Finance M&E specialist will conduct a sample quality check of data collected from the different sources and will meet the BDS providers to do a data quality assessment.		
<b>Date of future data quality assessments:</b> September 2005.		
<b>Procedures for future data quality assessments:</b> Mali Finance M&E specialist will conduct a sample quality check of data collected from the different sources and will meet with BDS providers and entrepreneurs as well to do spot checks.		
<b>Plan for data analysis, review and reporting</b>		
<b>Data Analysis:</b> Mali Finance team will collect and compile data for analysis by the M&E specialist. Processed data will be shared with staff, partners and USAID.		
<b>Presentation of data:</b> Tables/charts and narrative reporting		
<b>Review of data:</b> All data will be reviewed by Mali Finance team.		
<b>Reporting of data:</b> Annual Performance Report submitted to USAID		
<b>Other notes</b>		
<p><b>Notes on baseline/targets:</b> The project team worked with a well trained group of 20 business development service providers since the beginning of the project. On average these BDS support the development of one business services related to access to finance. Since we will work with 20 partners at the beginning of the project, we set 20 as our baseline for this indicator.</p> <p>Targets for this indicator are the sum of multiple factors:</p> <ol style="list-style-type: none"> <li>1. the number of business services provided through our BDS consultants ;</li> <li>2. the number of business services provides through NGO that we trained ;</li> <li>3. the number of business services provided through the Peace Corp volunteers ;</li> <li>4. the number of business services provided through Prodepam or TradeMali.</li> </ol> <p>Targets for 2004 and 2005 are based on our previous strategy. For subsequent years, we increased this number based primarily on our past experience and interviews with the BDS consultants. We also estimate that the demand for financial services will increase partially due to activities relating to IR 3a which measures the number loans provided to agro entrepreneurs accessing credit through banks. The assumption is that if they receive credit, there is a business service behind it. Moreover, we know that the NGOs of Prodepam will do a follow up after the disbursement of the loans. <i>When Prodepam will know more precisely how many producer associations they will assist for bankable loans, we should adjust our projections.</i></p>		
<b>Location of data storage:</b> All M&E data are filed in hard copies (forms, contracts, MOU etc) in the Mali Finance documentation center. Electronic copies (databases, spreadsheets and the likes) are kept on the server, which and are backed up on CDroms and tapes.		
<b>Performance Indicator Values</b>		
<b>Year</b>	<b>Actual</b>	<b>Target</b>
Baseline	20	-
2004	58	50
2005		126
2006		220
2007		312
2008		405
<b>Last updated on July 11, 2005</b>		



Mali Finance Performance Indicator Reference Sheet	
<b>SO:</b>	<b>Increase productivity and incomes in selected agricultural sub-sectors (SO9)</b>
<b>IR3</b>	<b>Access to finance increased in targeted areas</b>
<b>Sub IR 3.1</b>	<b>Provision of business development services increased</b>
<b>Ind. IR3.1b</b>	<b>Number of individuals trained in business development services in targeted areas</b>
Description	
<p><b>Precise Definition:</b> Change in the number of individuals trained in business development services by BDS providers, consultants or directly by Mali Finance. Individuals partaking in training session include, but are not limited to, (agro-) entrepreneurs, NGO representatives, bankers, government representatives, Peace Corps volunteers, but also BDS providers and consultants that might receive specific BDS training directly through Mali Finance staff members. The different BDS training sessions and modules offered to individuals include business management and enterprises development spirit, accounting training. All training done through our trained and strengthened BDS providers will be counted. The objective is to increase outreach of BDS services, hereby offering business training to anybody who is interested and who could pass on this information in order to increase the knowledge level among the general population about business and financial services and thus the possibilities and opportunities for business development in Mali.</p> <p><b>Unit of Measure:</b> Number (cumulative)</p> <p><b>Disaggregated by:</b> Region, gender, type of training</p> <p><b>Justification/Management Utility:</b></p> <p><b>Rationale:</b> An increase in the number of individuals trained in business development services will be a direct measure of the strengthened capacity of entrepreneurs and others beneficiaries in Business Development Services. Increased capacity should enable beneficiaries of the BDS training to make better and more informed decisions about business and investment opportunities. As a result the demand for additional financial services could increase and the requests for loan applications, possibly resulting in access to finance, will increase as well.</p> <p><b>Hypothesis:</b> Training in business services will increase the knowledge and desire of the participants to develop and improve their own business. Better trained entrepreneurs will access to finance more easily.</p> <p><b>Critical Assumptions:</b></p> <ul style="list-style-type: none"> <li>Entrepreneurs understand the importance of investing in financial development services for the success of their business and are willing and capable to pay for those services</li> <li>BDS providers remain flexible and can adapt to the needs for specific services requested by entrepreneurs.</li> <li>Level of quality of services offered remains high (even once BDS providers operate independently) to assure that business plans developed will be bankable.</li> </ul>	
Plan for data acquisition by Mali Finance	
<p><b>Data collection method:</b> BDS providers, consultants, Peace Corp volunteers and Mali Finance (through direct involvement) will provide a summary of the training sessions provided. Forms will be developed for BDS providers and consultants to collect data on the type of training provided, time/date of service delivery, follow-up on trainee, and more specific trainee information (gender, training purpose/need, type/domain of enterprise, region, etc.). Trainees can provide additional information if a trainee monitoring/follow up system is put in place whereby the project could regularly follow up with trainees, either directly through BDS providers or consultant, or by the organization through which trainees were referrer (Prodepam, TradeMali, Peace Corps, etc.).</p> <p><b>Method of acquisition:</b> Reports</p> <p><b>Data Source (s):</b> BDS providers, trainees and partner organizations' reports and data collection forms</p> <p><b>Frequency/Timing of data acquisition:</b> Quarterly</p> <p><b>Responsible individuals:</b> BDS team and M&amp;E Specialist</p>	
Data Quality Issues	
<p><b>Date of initial data quality assessment:</b> Done partly in 2004. Due to change in the indicator, it will be done in September 2005.</p> <p><b>Known data limitations and significance (if any):</b> We rely mostly on our BDS providers and consultants to deliver the information. They could provide only promising numbers as results in order to impress Mali Finance in the hope that there will be a continued collaboration.</p> <p><b>Actions taken or planned to address data limitations:</b> Mali Finance M&amp;E specialist will conduct a sample quality checks of data collected from the different sources and ensure through spot checks with enlisted trainees what types of training was provided and when.</p>	



**Date of future data quality assessments:** The same process will be used during data collection sessions for each reporting quarter.

**Procedures for future data quality assessments:** Mali Finance M&E specialist will conduct a sample quality check of data collected from the different sources and will meet with BDS providers, consultants and trainees as well to do spot checks.

### **Plan for data analysis, review and reporting**

**Data Analysis:** Mali Finance team will collect and compile data for analysis by the M&E specialist. Processed data will be shared with staff, partners and USAID.

**Presentation of data:** Tables/charts and narrative reporting

**Review of data:** All data will be reviewed by Mali Finance team.

**Reporting of data:** Annual Performance Report submitted to USAID

### **Other notes**

**Notes on baseline/targets:** Baseline for this indicator is set to zero based on the fact that the project is measuring entrepreneurs receiving training due to assistance of Mali Finance. The project is measuring its results based on direct assistance for the first time, therefore the baseline should be set at zero (0).

The targeted results were derived from available information and the anticipated impacts of planned project activities described in the first year work plan. The project's direct technical assistance in training added up to a total of 240 in 2004. For 2005, the target is based on our direct training and of some training of MicroPlan that a consultant offer to a MFI. For 2006, we will discontinue direct training and we will start to count the training provided by our BDS providers, Peace Corp volunteers, and NGO who use our models for training sessions. By 2008 we expect the total number of training sessions to cumulate to 2875.

**Location of data storage:** All M&E data are filed in hard copies (forms, contracts, MOU etc) in the Mali Finance documentation center. Electronic copies (databases, spreadsheets and the likes) are kept on the server, which are backed up on CDroms and tapes.

**Other notes:** This indicator differs substantially from Ind. IR3.1a as this indicator only counts the training related to business management. However, Ind. IR 3.1a counts all business services, without training: a) business services related to management: accounting, finance, marketing, production, human resources, etc.; and b) business services related to access to finance.

### **Performance Indicator Values**

<b>Year</b>	<b>Actual</b>	<b>Target</b>
Baseline	0	
2004	240	240
2005		905
2006		1,530
2007		2,075
2008		2,600

**Last updated on July 11, 2005**

Mali Finance Performance Indicator Reference Sheet	
<b>SO:</b>	<b>Increase productivity and incomes in selected agricultural sub-sectors (SO9)</b>
<b>IR3</b>	<b>Access to finance increased in targeted areas</b>
<b>Sub IR 3.2</b>	<b>Investment opportunities increased</b>
<b>Ind. IR3.2a</b>	<b>Capacity of the GRM to promote investment opportunities</b>
Description	
<p><b>Precise Definition:</b> Level of capacity of the Government of Mali to promote investment opportunities through a new investment promotion agency (IPA). Mali Finance will support the Government in putting in place this new agency and develop activities that support and increase the capacity of the Government in investment promotion. This new agency will provide a favorable and enabling environment for local and international projects and companies to invest in Mali. Interventions will be implemented in close collaboration with MIGA/World Bank.</p> <p><b>Unit of Measure:</b> The change in level of capacity will be measured through milestones achieved. These milestones represent different interventions implemented by Mali Finance over time that would lead to an increase in capacity of the newly proposed Government structure if adopted and used appropriately. Interventions related a variety of aspects such as corporate structure, general image, publications and website, development of investment services, etc. Milestones reflecting the level of capacity of the GRM will be achieved on an annual basis and contain multiple interventions to be achieved and implemented. Please refer the Investment Promotion Intervention Table at bottom of this indicator reference sheet for an overview of the Milestones to be achieved over time and the level of effort assigned to each intervention.</p> <p><b>Disaggregated by:</b> n/a</p> <p><b>Justification/Management Utility:</b></p> <p><b>Rationale:</b> Strengthened capacity of the Government of Mali investment promotion structure contributes to the increase and growth of local and international investments opportunities in Mali. This new structure will serve as an Investment Promotion Agency, comparable to those that already exist elsewhere. The role of this agency is present an attractive investment environment and facilitate the establishment of national and international investors in Mali.</p> <p><b>Hypotheses:</b> An increase in the capacity of the Government of Mali to promote investment attracts potential investors to the country. Mali becomes a good destination in West Africa for foreign investors.</p> <p><b>Critical Assumptions:</b></p> <ul style="list-style-type: none"> <li>• The law and decree are adopted and approved by the Cabinet of Ministries and the National Assembly, which allows for the actual creation of an IPA.</li> <li>• The Government of Mali is collaborative, willing to take initiative and the lead, and is truly interested in buying in to getting this new investment promotion center in place and functional.</li> <li>• The political climate will continue to be favorable and allow for improvement of access to investment credit.</li> <li>• The economic liberalization and promotion of the private sector will continue to be pursued to allow for change in the investment environment.</li> </ul>	
Plan for data acquisition by Mali Finance	
<p><b>Data collection method:</b> Data will be collected by Mali Finance based on the interventions implemented and the achievement of milestones. The GRM should provide reports on different steps taken in making the new investment promotion center becoming functional and operational. Tracking of interventions as outlined in the 'Unit of Measure' section will be done by Mali Finance in collaboration with other partners involved in this activity – MIGA, World Bank and the GRM.</p> <p><b>Method of acquisition by USAID:</b> Reports</p> <p><b>Data Source (s):</b> GRM, MIGA, World Bank</p> <p><b>Frequency/Timing of data acquisition:</b> Annually</p> <p><b>Responsible individuals:</b> Investment team and Monitoring and Evaluation Specialist</p>	
Data Quality Issues	
<p><b>Date of initial data quality assessment:</b> No initial data was available as Mali Finance proposes to work with a new government structure.</p> <p><b>Known data limitations and significance (if any):</b> n/a</p> <p><b>Actions taken or planned to address data limitations:</b> n/a</p>	

**Date of future data quality assessments:** July 2006

**Procedures for future data quality assessments:** The M&E specialist will visit the new Mali Invest structure and discuss with other partners involved the validity of the progress achieved according to milestones developed.

### Plan for data analysis, review and reporting

**Data Analysis:** M&E specialist will analyze data based collected by the technical staff and provided through partners and the GRM based on the milestones to be achieved.

**Presentation of data:** Data will be presented in tables with a narrative in annual report and/or on a need to know basis.

**Review of data:** All data will be reviewed by Mali Finance team.

**Reporting of data:** Annual Performance Report submitted to USAID

### Other notes

**Notes on baseline/targets:** The baseline for this indicator is set at zero (0) as the activity commenced with the start of this project and no specific activities were undertaken by USAID projects in the past that could be build upon. As this indicator is new and no specific interventions were undertaken towards its achievement in the past, results can not be provided for 2004, and will become available for 2005 and future years.

Targets set for this indicator will be linked to Milestones to be achieved over time. The milestones represent multiple project interventions that would lead the GRM to become more capable in developing investment promotion opportunities in Mali. Milestones will be measured on an annual basis.

The Investment Promotion Intervention Table provides all the details of the different inventions planned for each fiscal year with the expected level of effort. The total level of effort for each milestone, and thus for each year, should be 100%. Please note that activities related to regulatory and legal reforms for the creation of the new IPA are included under Ind. IR3.2c and will not be discussed here.

### Investment Promotion Agency Intervention Table

	Target Date	Level of Effort	Achievement Level
<b>Milestone 1 – Initial Development Phase</b>			
(a) Organize and facilitate the two regional workshops for the investors identification study in Bamako and Mopti	Nov. 2004	15%	15%
(b) Support the Ministry in the organization of a workshop for the validation of the study on the creation of a new Investment Promotion Agency	March 2005	10%	25%
(c) Preliminary discussion with the Ministry of Investment on the organization of a stakeholder forum	April 2005	5%	30%
(d) Facilitate meetings with MIGA, World Bank, CNPI, AZI and the Min. of Investment and assure follow up	May 2005	10%	40%
(e) Assist in the development of a draft budget and activity schedule for next steps to be undertaken in the creation of the IPA	May 2005	10%	50%
(f) Translate and distribute the Aide Memoire on meetings held with all stakeholders during MIGAs visit	May 2005	5%	55%
(g) Finalization of the study on identification of investors in the agro-industry in Mali and submission to USAID, MIGA and Ministry	June 2005	10%	65%
(h) Identification of tasks/next steps to be undertaken by the Ministry and the development of a chronogram of activities that lead to the actual creation of Mali Invest.	July 2005	10%	75%
(i) Start up and assist in the information gathering on the investment climate in Mali (this will be an ongoing activity that continues beyond August 2005)	August 2005	25%	100%
<b>Milestone 2 – IPA Development and Installation Phase</b>			
(a) Contribute to the organization of a forum – exchange information will allow stakeholders to better understand opportunities and the investment environment in Mali	Nov. 2005	10%	10%
(b) Facilitate the creation of a board of directors	Dec. 2005	10%	20%
(d) Facilitate the selection of team members responsible for the start up of the new IPA	January 2006	5%	25%
(e) Assist the GRM in a site selection for the new IPA office location	January 2006	5%	30%
(g) Support the new IPA in the recruitment of professional personnel	March 2006	5%	35%
(f) Assist in the development of the IPAs business plan (this intervention will be developed in collaboration with MIGA)	March 2006	15%	50%
(h) Assist in the development of the IPAs operational procedures guide (admin, finance, accounting, personnel, etc.) (this intervention will be developed in collaboration with MIGA)	March 2006	10%	60%
(i) Develop a training program for professional staff	April 2006	10%	70%

(j) Implement a training on basic investment promotion principles for staff	May 2006	10%	80%
(k) Facilitate a training on targeting and attracting foreign investors (this intervention will be developed in collaboration with MIGA)	June 2006	10%	90%
(l) Develop a program for exchange visits and study tours with other dynamic IPAs in the region (Uganda, Senegal, Tanzania)	July 2006	5%	95%
(m) Organize and facilitate the official launch of the Investment Promotion Agency – Mali Invest	August 2006	5%	100%
<b>Milestone 3 - Establishment, Operation and Functionality Phase</b>			
(a) Propose and develop a communication plan for Mali Invest	Nov. 2006	10%	10%
(b) Assist in install the equipment and software for development of a website	Nov. 2006	10%	20%
(c) Facilitate the launch the informational letter about Mali Invest	Dec. 2006	5%	25%
(d) Facilitate the launch the Mali Invest website	Dec. 2006	10%	35%
(e) Assist in the development of procedures for best-practices for visiting foreign investors	Feb. 2007	15%	50%
(f) Assist in the formulation of simplified procedures for services to be provided after initial registration of investors	March 2007	10%	60%
(g) Provide a portfolio of potential investment projects and promoters in Mali	March 2007	5%	65%
(h) Assist in the development of a investors monitoring system	May 2007	15%	80%
(i) Organize and facilitate the training on the investors' monitoring system	June 2007	10%	90%
(j) Provide technical assistance and guidance for the realization of some initial investment projects	August 2007	10%	100%
<b>Milestone 4 – Implementation and Execution Phase</b>			
(a) Facilitate the organization of national investment promotion missions	October 2007	25%	25%
(b) Facilitate the organization of international investment promotion missions	January 2008	20%	45%
(c) Monitor the development and success of the initial investment projects	Feb. 2008	30%	75%
(d) Prepare and help organize an international training plan and exchange for certain professional staff	April 2008	15%	90%
(e) Monitor the implementation of the training program for Mali Invest	June 2008	10%	100%

**Location of data storage:** All M&E data is filed in hard copies (reports, training manuals and participation list, MOU, training plans and strategy documents, etc.) in the Mali Finance documentation center. Electronic (databases, spreadsheets and the likes) are kept on the server and are backed up on CDroms and tapes.

Performance Indicator Values			
Year	Actual	Target	Cumulative Achievement
Baseline	0	-	-
2004		-	-
2005		Milestone 1	25%
2006		Milestone 2	25%
2007		Milestone 3	35%
2008		Milestone 4	15%

**Last updated on July 11, 2005**

Mali Finance Performance Indicator Reference Sheet	
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<b>IR3</b>	<b>Access to finance increased in targeted areas</b>
<b>Sub IR 3.2</b>	<b>Investment opportunities increased</b>
<b>Ind. IR3.2b</b>	<b>Number of investment opportunities developed</b>
Description	
<p><b>Precise Definition:</b> Change in the number of investment opportunities and projects developed by BDS providers and consultants. Investment projects considered under this definition are those that require an initial investment of 75 million CFA or more (see IR 3.c). BDS providers and consultants will have received a certain level of technical assistance from the Mali Finance project to help promoters develop opportunities for investment. Mali Finance will closely follow and monitor the development of new opportunities assisted by its BDS providers and consultants to assure a high level of quality of business plans for new investment opportunities that will be submitted to banks for financing. Investment opportunities that are over time developed independently by BDS providers and consultants in collaboration with promoters and banks will be counted here as well as they can be attributed as an indirect result to the Mali Finance project. In certain cases Mali Finance will also provide direct assistance to entrepreneurs in the agricultural and other business development sectors in which high potential for investment has presented itself and that could be developed into promising investment projects.</p> <p><b>Unit of Measure:</b> Number (cumulative)</p> <p><b>Disaggregated by:</b> region, gender, banks</p> <p><b>Justification/Management Utility:</b></p> <p><b>Rationale:</b> The investment opportunities developed by consultants and BDS providers with technical assistance of Mali Finance will have a better chance to be financed based on the quality of the promoter and projects developed. Most of the consultants working with Mali Finance are senior level professionals who have benefited from the expertise available at Mali Finance. The investment projects, if financed eventually, could have an impact on the general investment environment in Mali, set certain quality standards and convince banks to finance agro-investment projects more regularly.</p> <p><b>Hypotheses:</b> The development of an enabling environment for investment opportunities allows for the creation of a pool of potential investment projects with credible promoters. These initial projects could have an enhancing impact on the general investment atmosphere in Mali and convince banks to consider financing additional investment projects.</p> <p><b>Critical Assumptions:</b></p> <ul style="list-style-type: none"> <li>• All critical assumptions of Ind. IR 3a (supply and demand side and general)</li> <li>• The political and economical environment in Mali will continue to be stable and will thus allow for an expansion of investment opportunities.</li> <li>• Enough promoters initiating new ideas and bankable projects that would be considered investment opportunities (&gt;75 million CFA) have to present themselves and/or be found through networking.</li> </ul>	
Plan for data acquisition by Mali Finance	
<p><b>Data collection method:</b> BDS providers, consultants and direct Mali Finance interventions will provide data on the number and types of investment projects developed during the reporting period in targeted areas. Promoters receiving direct project assistance will provide additional information on their individual project development.</p> <p><b>Method of acquisition:</b> Reports</p> <p><b>Data Source (s):</b> BDS providers, consultants, promoters.</p> <p><b>Frequency/Timing of data acquisition:</b> Quarterly</p> <p><b>Responsible individuals:</b> Investment team and the Monitoring and Evaluation Specialist</p>	
Data Quality Issues	
<p><b>Date of initial data quality assessment:</b> At commencement of investment project development activities in 2004</p> <p><b>Known data limitations and significance (if any):</b> We have to assume that promoters present themselves each year with the request for assistance. It might be difficult to come up with new and original potential investment ideas and project for which business plans can be developed and loan applications can be submitted each year.</p> <p><b>Actions taken or planned to address data limitations:</b> Mali Finance will also seek out opportunities and market potentials</p>	

that could be explored and pull information for their database of potential investment projects to stimulate entrepreneurs to undertake steps towards business development with the technical assistance of Mali Finance.

**Date of future data quality assessments:** July 2005

**Procedures for future data quality assessments:** The M&E specialist will check the data available for the proposed individual projects and possibly visit with the different promoters if and when possible and necessary.

### Plan for data analysis, review and reporting

**Data Analysis:** Data will be analyzed by the M&E specialist and certain criteria will be set for counting or rejecting results based on the level of progress that has been made in the development of viable and bankable investment opportunities.

**Presentation of data:** Data will be presented in tables with a narrative in annual report.

**Review of data:** All data will be reviewed by Mali Finance team.

**Reporting of data:** Annual Performance Report submitted to USAID

### Other notes

**Notes on baseline/targets:** The baseline for this indicator is set at zero (0) as the activity commenced with the start of this project and no specific activities were undertaken by USAID projects in the past that could be build upon for the purpose of this indicator.

Targets for this indicator are set based on experience in investment opportunity development activities. The process of developing bankable investment opportunities is very intense and lengthy as the development of market studies and a business plan require considerable amount of time. In 2004 Mali Finance assisted in the development of 2 investment opportunities. In 2005 an additional 3 new opportunities will be developed. It is expected that through the increased capacity of consultants and BDS providers over time, combined with the information available to promoters about opportunities in Mali and the establishment of a more favorable investment environment, the number of opportunities developed will increase up to the cumulative total of 25 investment opportunities in 2008.

**Location of data storage:** All M&E data are filed in hard copies (reports, training manuals and participation list, MOU, training plans and strategy documents, etc.) in the Mali Finance documentation center. Electronic copies (databases, spreadsheets and the likes) are kept on the server and are backed up on CDroms and tapes.

**Other notes:** In the narrative report additional information will be provided about the level of effort to develop business opportunities and the obtainment of loans once opportunities for which business plans have been developed and submitted to banks. The link between this indicator (Ind. IR3.2b) on development of opportunities and (Ind. IR 3b) the investment project realized (= funded) could provide more information on the process of submission and approval of bankable loans and areas of difficulty or success could be identified, which could in turn provide an explanation about the impact project Mali Finance has had.

### Performance Indicator Values

Year	Actual	Target
Baseline	0	
2004	2	2
2005		5
2006		10
2007		17
2008		25

**Last updated on July 11, 2005**

Mali Finance Performance Indicator Reference Sheet	
<b>SO:</b>	<b>Increase productivity and incomes in selected agricultural sub-sectors (SO9)</b>
<b>IR3</b>	<b>Access to finance increased in targeted areas</b>
<b>Sub IR 3.2</b>	<b>Investment opportunities increased</b>
<b>Ind. IR 3.2c</b>	<b>Number of assisted regulatory and legal reforms implemented</b>
Description	
<p><b>Precise Definition:</b> The number of interventions and activities facilitated and organized by Mali Finance that could lead to regulatory and legal reforms in light of increasing investment opportunities. Regulatory and legal reforms are necessary to provide an enabling environment for investment promotion. Interventions supported by Mali Finance that would contribute to the reforms targeted will be defined as organized and coordinated efforts to influence public policy around one of more defined issues to improve access to finance (i.e. letter writing, lobbying, forums, policy information dissemination, and interviews to the media on policy issues).</p> <p><b>Unit of Measure:</b> The number of reforms implemented will be measured through milestones achieved. The process of changing regulatory and legal texts and statutes is complicated and long. Measuring results through milestones will allow the project to focus on specific interventions that could in the long run lead to the proposed reforms. For the purpose of this indicator milestones will be achieved on an annual basis and contain multiple interventions to be achieved and/or implemented relating to one or multiple reforms. Each intervention will be assigned a percentage level of effort in order to measure the accomplishments throughout the year – the LOE percentages for all interventions throughout one year will add up to 100%. Interventions for each reform will also have a target date for accomplishment. Please refer to the Reform Intervention Table provided at the bottom of this indicator reference sheet for more detailed information.</p> <p><b>Disaggregated by:</b> n/a</p> <p><b>Justification/Management Utility:</b></p> <p><b>Rationale:</b> An increase in the number of interventions relating to regulatory and legal reforms implemented by the project is a direct measurement of the efforts put in place to assure adoption and application of regulations and the creation of an institutional environment that is more favorable to the provision of financial services and allows for better access to finance. The progress at political level is subject to a number of external factors; the only way to have project impact is to work with partners and push for a political agenda together. The project support does not only envision elaboration of new regulations, but also assure the application of reforms and the understanding of the new regulations by stakeholders in the Malian finance and investment environment.</p> <p><b>Hypotheses:</b> A healthy, reorganized, unbiased and well regulated investment environment could stimulate the growth of the amount and number of loans given out to agricultural enterprises.</p> <p><b>Critical Assumptions:</b></p> <ul style="list-style-type: none"> <li>The political and economical environment in Mali will continue to be stable and will thus allow for an expansion of investment opportunities.</li> <li>Willingness, availability and commitment of GRM ministries involved in the different proposed reforms to endorse and advance the application of modified legal and regulatory texts and avoid extended procedures that could block the development of a favorable and enabling investment environment in Mali.</li> </ul>	
Plan for data acquisition by Mali Finance	
<p><b>Data collection method:</b> Mali Finance will monitor the direct implementation of interventions based on the annual milestones developed (see table for more detailed information). Reports produced by the different ministries of the GRM could provide additional information and data on progress made towards reforms and changes in the regulatory and legal texts and their application. Where applicable, the project will work with partner organizations to provide supplementary documentation on progress achieved. Data collection forms for tracking milestone related interventions will be developed and used to follow steps forward over time.</p> <p><b>Method of acquisition by USAID:</b> Reports</p> <p><b>Data Source (s):</b> Mali Finance, GRM, partner organizations</p> <p><b>Frequency/Timing of data acquisition:</b> Quarterly</p> <p><b>Responsible individual at USAID:</b> SO9 Monitoring and Evaluation Specialist</p>	
Data Quality Issues	
<p><b>Date of initial data quality assessment:</b> At commencement of investment project development activities in 2004</p> <p><b>Known data limitations and significance (if any):</b> n/a</p> <p><b>Actions taken or planned to address data limitations:</b> n/a</p>	

**Date of future data quality assessments:** July 2005

**Procedures for future data quality assessments:** The M&E specialist will check the data available for the proposed milestone interventions and verify with documentation available what actual progress has been made.

### Plan for data analysis, review and reporting

**Data Analysis:** M&E specialist will analyze data based collected by the technical staff and provided through partners and the GRM based on the milestones to be achieved.

**Presentation of data:** Data will be presented in tables with a narrative in annual report and/or on a need to know basis.

**Review of data:** All data will be reviewed by Mali Finance team.

**Reporting of data:** Annual Performance Report submitted to USAID

### Other notes

**Notes on baseline/targets:** The baseline for this indicator is set at zero (0) as the activity commenced with the start of this project and no specific activities were undertaken by USAID projects in the past that could be build upon. Targets set for this indicator will be linked to Milestones to be achieved over time. The milestones represent multiple activities to would lead to legal and regulatory reforms that will lead to an improved investment promotion environment in Mali. Milestones will be measured on an annual basis.

**Location of data storage:** All M&E data are filed in hard copies (reports, training manuals and participation list, MOU, training plans and strategy documents, etc.) in the Mali Finance documentation center. Electronic copies (databases, spreadsheets and the likes) are kept on the server and backed up on CDroms and tapes.

### Other notes:

- In narrative reporting, the results achieved for this indicator will be linked as much as possible to indicator IR 3.2a as the Government is implicated as both levels – their capability to make the new investment opportunity structure Mali Invest functional and operational, while at the same time providing an enabling and favorable investment environment by modifying and improving legal and regulatory texts and applications to make it attractive and uncomplicated for promoter projects and companies to invest in Mali.
- A major constraint of access to finance will be discussed after the release of the report on Investment Climate Evaluation by the World Bank, which should come out in July or September. Areas of collaboration on interventions relating to reforms in the investment environment can be defined at that moment.

### Reform Intervention Table

	Target Date	Level of Effort	Achievement Level
<b>Reform A: Creation of a new Investment Promotion Agency – Mali Invest</b>			
(a) Finalization of study done on the creation of a new IPA	August 2004	70%	55%
(b) Facilitation of the development of texts and documentation for the new laws and decrees that support the creation of a new IPA	August 2004	30%	15%
(c) Conduct and finalize a study on legal and regulatory constraints for agro-SME financing by Malian financial institutions	January 2005	20%	10%
(d) Conduct and finalize a study about the creation of a new authority for the development of economic infrastructures in Mali.	April 2005	20%	10%
(e) Assistance provided for the development of amendments to the texts for the laws and decrees and submission to the National Assembly and Cabinet of Ministries.	July 2005	15%	5%
(f) Adoption and approval of the decree by the Cabinet of Ministries and the law by the general National Assembly	Dec. 2005	10%	5%
<i>Notes:</i> (1) Even though Mali Finance can facilitate meetings and assist in the development of texts to assure that they are well described and clear to all, the project will have very little leverage in this process as it can not participate in decision making meetings. The final decision on adoption and approval lies with the general National Assembly and ministries, and will be out of the hands of Mali Finance. (2) Additional specific activities that could be implemented as part of the creation and functioning of the new IPA will not be discussed here – please refer to Ind. IR 3.2a for more information.			
<b>Reform B: Creation of a Microfinance promotion unit at the Ministry of Investment</b>			
(a) Provide assistance for the development of texts for the decree and law and the amendments	Dec. 2004	35%	25%
(b) Adoption and approval of the decree by the Cabinet of Ministries and the law by the National Assembly (see note (1) above)	Nov. 2005	25%	15%
(c) Preparation of information booklet explaining the new decree, law and the objective of the Microfinance promotion unit	March 2006	35%	25%
(d) Dissemination of this information booklet to interested stakeholders in the Microfinance and investment sectors in Mali	May 2006	15%	15%



(e) Organization and facilitation of a workshop to introduce the new Microfinance promotion unit among stakeholders, which will provide information and an explanation on its function and the services to be offered.	August 2006	25%	20%
<b>Reform C: Creation of a SME promotion unit at the Ministry of Investment</b>			
(a) Facilitate initial meetings with the Ministry of Investment to discuss the objective and the need for a SME promotion unit	Dec. 2006	15%	5%
(b) Meet with the World Bank and negotiate the possibilities for co-financing of interventions to be undertaken for this reform – specifically the need for a study for the creation of a new SME promotion unit	Feb. 2007	15%	5%
(c) Conduct and finalize the study	July 2007	70%	55%
(d) Assist in the preparation of texts for the decree and law for the creation of the SME unit	October 2007	30%	10%
(e) Adoption and approval of the decree by the Cabinet of Ministries and the law by the National Assembly (see note (1) above)	March 2008	15%	5%
(f) Preparation of information booklet explaining the new decree, law and the objective of the Microfinance promotion unit	April 2008	25%	10%
(g) Dissemination of this information booklet to interested stakeholders in the Microfinance and investment sectors in Mali	June 2008	15%	5%
(h) Organization and facilitation of a workshop to introduce the new Microfinance promotion unit among stakeholders, which will provide information and an explanation on its function and the services to be offered.	July 2008	15%	5%

Milestone 1: Reform A, accomplish interventions (a) and (b)

Milestone 2: Reform A, accomplish interventions (c) and (d); Reform B, accomplish intervention (a)

Note: By the end of FY 2005 and the successful accomplishment of Milestones 1 and 2, Reform A should be implemented

Milestone 3: Reform B, accomplish interventions (b), (c), (d) and (e)

Note: By the end of FY 2006 and the successful accomplishment of Milestones 2 and 3, Reform B should be implemented

Milestone 4: Reform C, accomplish interventions (a), (b) and (c)

Milestone 5: Reform C, accomplish interventions (d), (e), (f), (g) and (h)

Note: By the end of FY 2007 and before the end of the project, and the successful accomplishment of Milestones 4 and 5, Reform C should be implemented.

The table below provides an overview of targeted interventions per year per reform and their level of effort required. Over time, we can track the achievement of reforms implemented and thus the milestones set per year.

Performance Indicator Values						
Year	Actual		Level of Effort Targets (for Mali Finance)			
			Reform A	Reform B	Reform C	
Baseline	0		--	--	--	
2004	100% (a & b)		(a) 70% (b) 30%	--	--	
2005			(c) 20% (d) 20% (e) 15%	(a) 35%	--	
2006			(f) 10%	(b) 25% (c) 35% (d) 15% (e) 25%	--	
2007			--	--	(a) 15% (b) 15% (c) 70%	
2008			--	--	(d) 30% (e) 15% (f) 25% (g) 15% (h) 15%	
Achievement Level (for USAID)						
Year	Reform A		Reform B		Reform C	
	Target	Actual	Target	Actual	Target	Actual
Baseline	--	--	--	--	--	--
2004	70%	70%	--		--	
2005	25%		25%		--	
2006	5% (100%)		75% (100%)		--	
2007					65%	
2008					35% (100%)	
Last updated on July 11, 2005						

Mali Finance Performance Indicator Reference Sheet	
<b>SO:</b>	<b>Increase productivity and incomes in selected agricultural sub-sectors (SO9)</b>
<b>IR3</b>	<b>Access to finance increased in targeted areas</b>
<b>Sub IR 3.3</b>	<b>Increased access to financial services to all population</b>
<b>Ind. IR 3.3a</b>	<b>Amount of saving at MFIs partners networks increased</b>
Description	
<p><b>Precise Definition:</b> The change in amount of savings measured by the percent change in the amount of outstanding savings with partner MFIs. Outstanding saving are the deposits received by MFIs</p> <p><b>Unit of Measure:</b> Percent</p> <p><b>Disaggregated by:</b> Region and MFIs.</p> <p><b>Justification/Management Utility:</b></p> <p><b>Rationale:</b> An increase in the amount of savings with MFI partners is a direct measure of improved capacity of MFIs in mobilizing capital to increase sustainability for their institution and provide outreach to all populations. Savings are usually the first financial service needed by the poorest of the poor as it helps reduce their vulnerability during times of individual, social and communal need for cash. The availability of savings enables MFIs to lend to the active populations and thus enhances economic growth.</p> <p><b>Hypotheses:</b> Savings are the basis of financial intermediation. With the savings, financial institutions can lend money to those who are producing, working and investing in their business, which is the core of the growth in an economy of a country such as Mali. The major hypothesis is that Malians have confidence in their banking and microfinance institutions and continue to save through them. Devaluations, such the one in 1994, are a major threat to their confidence level. The response to the devaluation has been the transfer of money in two major assets: livestock and construction/property. Increases in livestock and unprecedented growth in housing construction have been seen as some of the results of the devaluation, but are also a sign of lost confidence in the financial institutions.</p> <p>Another hypothesis is that MFIs are active in collecting saving. Those institutions that are considered the credit union type have this experience, as savings are their main source of funding for their loan portfolio. Growth rate in saving is then higher. Other type of microfinance in Mali, such as the CVECA and Solidarity credit are not based on saving but on credit. Their model is based mainly on donor or bank funding. For those, growth rate in saving is lower, as it is neither their mission nor their profession.</p> <p>Another third hypothesis is that major networks can use the big rate savings in urban areas and transfer it to lend it where demand is, such as the Office of Niger for example. This possibility increases the level of confidence in the strength of their financial institutions. When there is not a national network backing up a MFI, such as FCRMD or CVECA-ON, their level of savings remain low. Office of Niger is historically a place with few saving. That reflects both the low level of confidence in their microfinance institutions and the level of poverty (without neglecting the fact that is neither their mission nor their profession), as it is hard for many people to put money aside for urgency. The Northern region of Mali is another example of an area where savings generally remain low for those same reasons.</p> <p><b>Critical Assumptions:</b></p> <ul style="list-style-type: none"> <li>- Sustained economic growth</li> <li>- Continued stability in commodity prices and confidence level in the financial intermediation</li> <li>- Favorable climatic conditions for sustainable agriculture production</li> </ul>	
Plan for data acquisition by Mali Finance	
<p><b>Data collection method:</b> The project team will collect the information from partner MFIs. The level of savings at MFIs is part of their financial information requirement and periodic data reporting activity is incorporated in the memorandum of understanding that establishes the working relationship with Mali Finance and its partner MFIs.</p> <p><b>Method of acquisition:</b> Reports</p> <p><b>Data Source (s):</b> Financial data and reports from partner MFIs: Nyèsigiso, Kafo Jiginew and Nyarel Nef. Other MFIs will be added in 2006, such as FCRMD and probably CVECA-ON.</p> <p><b>Frequency/Timing of data acquisition:</b> Annually, based on December 31, of each year. As saving are not growing steadily quarter to quarter, due mainly to the specific needs of the population of Mali (needs for inputs at the agricultural campaigns, religious feast, school entrance, etc.), it is not pertinent to see big changes from quarter to quarter. Annual changes are relevant to see the change in amount of outstanding savings of partner MFIs.</p> <p><b>Responsible individuals:</b> Microfinance team and the Monitoring and Evaluation Specialist</p>	
Data Quality Issues	

**Date of initial data quality assessment:** Done for our actual partners. It will be done with each of the new MFI partners that we will add, after receiving their annual report.

**Known data limitations and significance (if any):** Some MFIs have poor management information system (MIS) in place, which is problematic for data collection. However, as the level of savings is measured as an accounting obligation by Malian law, the level of mistakes in the data collection seems relatively low. The significance of any possible mistakes made is therefore also very low.

**Actions taken or planned to address data limitations:** Where needed, training in good accounting practices to the MFIs could be provided through the project.

**Date of future data quality assessments:** 4 months after new partner MFIs send their annual reports.

**Procedures for future data quality assessments:** The M&E specialist will do random field visits with MFIs to check the quality of data provided.

### Plan for data analysis, review and reporting

**Data Analysis:** Mali Finance team will collect and compile data for analysis by the M&E specialist.

**Presentation of data:** Data will be presented in tables with a narrative report.

**Review of data:** All data will be reviewed by Mali Finance team.

**Reporting of data:** Annual Performance Report submitted to USAID

### Other notes

**Notes on baseline/targets:** The baseline data has been collected from different source organizations as agreed per the Memorandums of Understanding signed with partners. The baseline figure was calculated by adding the amount of outstanding savings of partner MFIs for December 31, 2003. When new partners MFIs will be added, the baseline will be modified to include their amount of outstanding savings of partner MFIs for the same date.

Targets are set based on the historic trends as suggested by baseline data; their values indicate the desired impacts of project interventions. Anticipated targets derive from our analysis, using the best information available. Over the last three years, there has been a tremendous increase in savings for Kafo Jiginew. The level of savings has increased up to 17.5%. This resulted from the good cotton harvest in 2002 and 2003 and also the introduction of input credit for cotton producers by Kafo. This growth will be difficult to maintain considering the high demand for input credit without increasing the BEI credit line (and the high actual financing leverage of Kafo), and the lower price in cotton for 2005-2006. Nyèsigiso, however, has recorded a slightly lower level of increase in historical savings and even a reduction of 5 % in saving for 2004. They are consolidating and have not opened new branches these last years. They seem to follow the more general economic trend in Mali.

The Kafo and Nyèsigiso microfinance networks represent more than 70 % of the saving of the microfinance industry in Mali. They are indeed subject to economical change in the environment in the West African countries and world economy. As such, the crisis in Ivory Coast still continues to have a major impact in the Malian economy, affecting the GNP considerably. Also, as said earlier, world market prices for commodities such as cotton have a major impact for Kafo. There is a direct correlation - if producers received less money, there is less saving in Kafo savings account.

As new MFIs will be added as partners, they will be included in the baseline. However, we already anticipated the introduction of FCRMD and CVECA networks in our targets. As mentioned in the hypotheses, growth rates are low in the targeted areas, and the targets reflect this. Overall, Mali Finance will provide MFIs with guidance and technical support and hopes to increase of the level of savings from 12.6 billions in 2003 to more than 16 billions by 2008, resulting to a 30 % growth even this poor economic environment.

**Location of data storage:** All M&E data are filed in hard copies (forms, contracts, MOU etc) in the Mali Finance documentation center. Electronic copies (databases, spreadsheets and the likes) are kept on the server and are backed up on CDroms and tapes.

### Performance Indicator Values

Year	Actual	Target
Baseline	12,6 billions F CFA	-
2004	10 %	7.5 %
2005		12.5 %
2006		18 %
2007		25 %
2008		30 %

**Last updated on July 11, 2005**

Mali Finance Performance Indicator Reference Sheet	
<b>SO:</b>	<b>Increase productivity and incomes in selected agricultural sub-sectors (SO9)</b>
<b>IR3</b>	<b>Access to finance increased in targeted areas</b>
<b>Sub IR 3.3</b>	<b>Increased access to financial services to all population</b>
<b>Ind. IR 3.3b</b>	<b>Number of clients registered with partner MFIs</b>
Description	
<p><b>Precise Definition:</b> Percent change in the number of clients / beneficiaries registered with partner MFIs. A client could either be an individual or a group registered with an MFI. A group is often composed of an average of 30 women who are part of an association, who will be called beneficiaries for the purpose of this indicator. Therefore, all those group members who are beneficiaries and who have access to saving and credit will be counted as clients registered under the definition for this indicator.</p> <p><b>Unit of Measure:</b> Percent</p> <p><b>Disaggregated by:</b> Region, partner MFIs and by gender, individuals vs. associations.</p> <p><b>Justification/Management Utility:</b></p> <p><b>Rationale:</b> Strengthening of partner MFIs capacity will lead to improved customer services, availability of products better tailored to clients' needs, better institutional and portfolio management practices, which results in an increased number of clients. Not only will the current clients stay but new clients will register. Outreach of and access to financial services to all population will be increased.</p> <p><b>Hypotheses:</b> The main hypothesis is that when clients register to a microfinance institution, they want to have access to the most important financial services, being savings and credit. Easy accessibility and proximity are key factors for increased access to financial services to all population. When affordable prices and flexible conditions exist to access those financial services, the population will register.</p> <p><b>Critical Assumptions:</b></p> <ul style="list-style-type: none"> <li>- There are profitable markets across Mali to increase outreach</li> <li>- Confidence level in the financial intermediation</li> <li>- The continued role of APIM as the key professional association for microfinance institutions</li> </ul>	
Plan for data acquisition by Mali Finance	
<p><b>Data collection method:</b> The project team will collect the information from partner MFIs. Partner MFIs will provide a summary of their number of clients based on their internal registration systems. The number of clients registered with MFIs is part of their financial information requirement and periodic data reporting activity is incorporated in the memorandum of understanding that establishes the working relationship with Mali Finance and its partner MFIs.</p> <p><b>Method of acquisition:</b> Reports</p> <p><b>Data Source (s):</b> Financial data and reports from partner MFIs: Nyèsigiso, Kafo Jiginew and Nyarel Nef. Other MFIs will be added in 2006, such as FCRMD and probably CVECA-ON.</p> <p><b>Frequency/Timing of data acquisition:</b> Quarterly</p> <p><b>Estimated cost of Data acquisition:</b> A quarterly data collection and analysis is estimated at \$ 1000</p> <p><b>Responsible individuals:</b> Microfinance team and Monitoring and Evaluation Specialist</p>	
Data Quality Issues	
<p><b>Date of initial data quality assessment:</b> Done for our actual partners. It will be done with each of the new MFI partners that we will add, after receiving their annual report.</p> <p><b>Known data limitations and significance (if any):</b> Some MFIs have very poor management information system (MIS) in place which has been problematic. However, as the number of registered of clients is always measured as statistical information required by the CAS/SFD, the level of mistakes in the data collection is relatively low. The significance of mistakes in data collection is therefore very small.</p> <p><b>Actions taken or planned to address data limitations:</b> N/A.</p> <p><b>Date of future data quality assessments:</b> 4 months after new partner MFIs send their annual reports.</p> <p><b>Procedures for future data quality assessments:</b> The M&amp;E specialist will do random field visit of MFIs to check the quality of data.</p>	
Plan for data analysis, review and reporting	

**Data Analysis:** Mali Finance team will collect and compile data for analysis by the M&E specialist.

**Presentation of data:** Data will be presented in tables with a narrative report.

**Review of data:** All data will be reviewed by Mali Finance team.

**Reporting of data:** Annual Performance Report submitted to USAID

#### Other notes

**Notes on baseline/targets:** The baseline has been collected from all source organizations as agreed per the Memorandums of Understanding signed with partners. Baseline calculation was done by adding the numbers of saving and credit beneficiaries with partner MFIs for December 31, 2003. When new partner MFIs will be added, the baseline will be modified to include their numbers of clients for the same date.

In terms of target setting, Kafo Jiginew had a growth rate of clients around 13 % for the last two years. It is unlikely that Kafo will maintain this client growth rate, which is mostly attributable to a new product with a credit line of the BEI (Banque Européenne d'Investissement) that has been used to its maximum. Moreover, the cotton crisis will seriously affect the internal capacity of growth of Kafo Jiginew. As a result of this Kafo will probably have to close some of its non-profitable branches. For the Nyèsigiso network the average growth rate for the last two years was 3,5 %. Keeping in mind the facts about the two largest MFI networks, the targets set for the coming years reflect a more mature market for microfinance as mentioned in the evaluation of the last Action plan of microfinance for 1999-2003. Overall, the targets are reasonably ambitious.

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#### Performance Indicator Values

Year	Actual	Target
Baseline	278 844	-
2004	8 %	7 %
2005		13 %
2006		18 %
2007		22 %
2008		25 %

**Last updated on July 11, 2005**

Mali Finance Performance Indicator Reference Sheet	
<b>SO:</b>	<b>Increase productivity and incomes in selected agricultural sub-sectors (SO9)</b>
<b>IR3</b>	<b>Access to finance increased in targeted areas</b>
<b>Sub IR 3.3</b>	<b>Increased access to financial services to all population</b>
<b>Ind. IR 3.3c</b>	<b>Number of long and mid term loans provided through targeted MFI networks</b>
Description	
<p><b>Precise Definition:</b> Percent change in the number of long and mid term loans provided through targeted MFI networks. By law of microfinance in Mali (Law 094), mid term credit represent loan with a term between one and three year, while long term credit is longer than 3 years.</p> <p><b>Unit of Measure:</b> Percent</p> <p><b>Disaggregated by:</b> Region, partner MFIs and by gender.</p> <p><b>Justification/Management Utility:</b></p> <p><b>Rationale:</b> Strengthening of partner MFIs capacity through the development of better tailored products on demand and technical assistance to achieve good operational management of the product for the partner MFIs will result in an increased number of mid and long term loans provided through targeted MFI networks. This result is also a very good measure of the increased access to financial services to all population and more specifically to productive investment for businesses and agro entrepreneurs. With mid term credit, entrepreneurs can have access to equipment, often badly needed everywhere in Mali.</p> <p><b>Hypotheses:</b> All types of mid and long term loans are helping entrepreneurs and businesses directly or indirectly. For example, a mortgage loan means that borrowers will have an asset and will be capable to use this as collateral for investing in their businesses (De Soto thesis).</p> <p><b>Critical Assumptions:</b></p> <ul style="list-style-type: none"> <li>- Banks or other types of financial institutions are willing to refinance MFIs with mid-term and long term loans</li> <li>- There are profitable markets across Mali to increase outreach</li> <li>- Confidence level in the financial intermediation</li> </ul>	
Plan for data acquisition by Mali Finance	
<p><b>Data collection method:</b> The project team will collect the information from partner MFIs. Partner MFIs will provide a summary of their number of mid and long term loans using their internal systems. The number of loans is part of their financial information requirement and periodic data reporting activity will be incorporated in the memorandum of understanding that establishes the working relationship with Mali Finance and its partner MFIs.</p> <p><b>Method of acquisition:</b> Reports</p> <p><b>Data Source (s):</b> Financial data and reports from partner MFIs: Nyèsigiso, Kafo Jiginew and Nyarel Nef. Others MFIs will be added in 2006, such as CVECA-ON and FCRMD.</p> <p><b>Frequency/Timing of data acquisition:</b> Quarterly</p> <p><b>Estimated cost of Data acquisition:</b> A quarterly data collection and analysis is estimated at \$ 500</p> <p><b>Responsible individuals:</b> Microfinance team and Monitoring and Evaluation Specialist</p>	
Data Quality Issues	
<p><b>Date of initial data quality assessment:</b> Done for our actual partners. It will be done with each of the new MFIs partners that we will add.</p> <p><b>Known data limitations and significance (if any):</b> There is the problem of poor management information system (MIS) in place in some MFIs. But as the level of loans is always measured as statistic information required by the CAS/SFD, the level of mistakes in the data collection is relatively low. Significance is then very small.</p> <p><b>Actions taken or planned to address data limitations:</b> N/A.</p> <p><b>Date of future data quality assessments:</b> 2 months after new partners MFIs send their first report.</p> <p><b>Procedures for future data quality assessments:</b> The M&amp;E specialist will do field visits of MFIs to check quality and reliable of data provided.</p>	

## Plan for data analysis, review and reporting

**Data Analysis:** Mali Finance team will collect and compile data for analysis by the M&E specialist.

**Presentation of data:** Data will be presented in tables with a narrative when needed.

**Review of data:** All data will be reviewed by Mali Finance team.

**Reporting of data:** Annual Performance Report submitted to USAID

### Other notes

**Notes on baseline/targets:** Baseline data is primarily based on information obtained from Nyèsigiso. Due to the new project approach of measuring direct results only, additional baseline information needs to be collected from all source organizations. To do so, the Memorandums of Understanding need to be reviewed with partners MFIs. The current figures for the baseline are based on the sum of the number of mid and long term loans at Nyèsigiso for June 30, 2003. When MOUs will be reviewed and or when new partners MFIs will be added, baseline will be modified to include their numbers for mid and long term loans for the same date.

Targets were set based on our knowledge of microfinance sector in Mali and on the market information on mid or long term credit. Housing finance demands long term resources. Nyèsigiso started a housing project in 2003, which has now begun to bear fruit. Currently no microfinance network has long term resources, however, Kafo and Nyèsigiso should receive a credit line by the end of the year. Kafo has been trying to recruit staff for a couple of months to handle their mortgage loans portfolio and will be able to really start up this activity once they are better organized. Growth in this area will be moderate as it is a new complex product for MFIs.

We assume that most of the growth for mid-term credit entrepreneurs will come with the product that Mali Finance developed. During the first year, we estimate that a network will probably lend mid-term credit to around 10 to 20 entrepreneurs, as this would initially be a pilot project. In subsequent years, these numbers are likely to increase significantly. We expect that Kafo and CVECA will start the mid term credit in 2006 and FCRMD in 2007.

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### Performance Indicator Values

Year	Actual	Target
Baseline	50	-
2004	85	85
2005		276
2006		437
2007		632
2008		866

**Last updated on July 11, 2005**